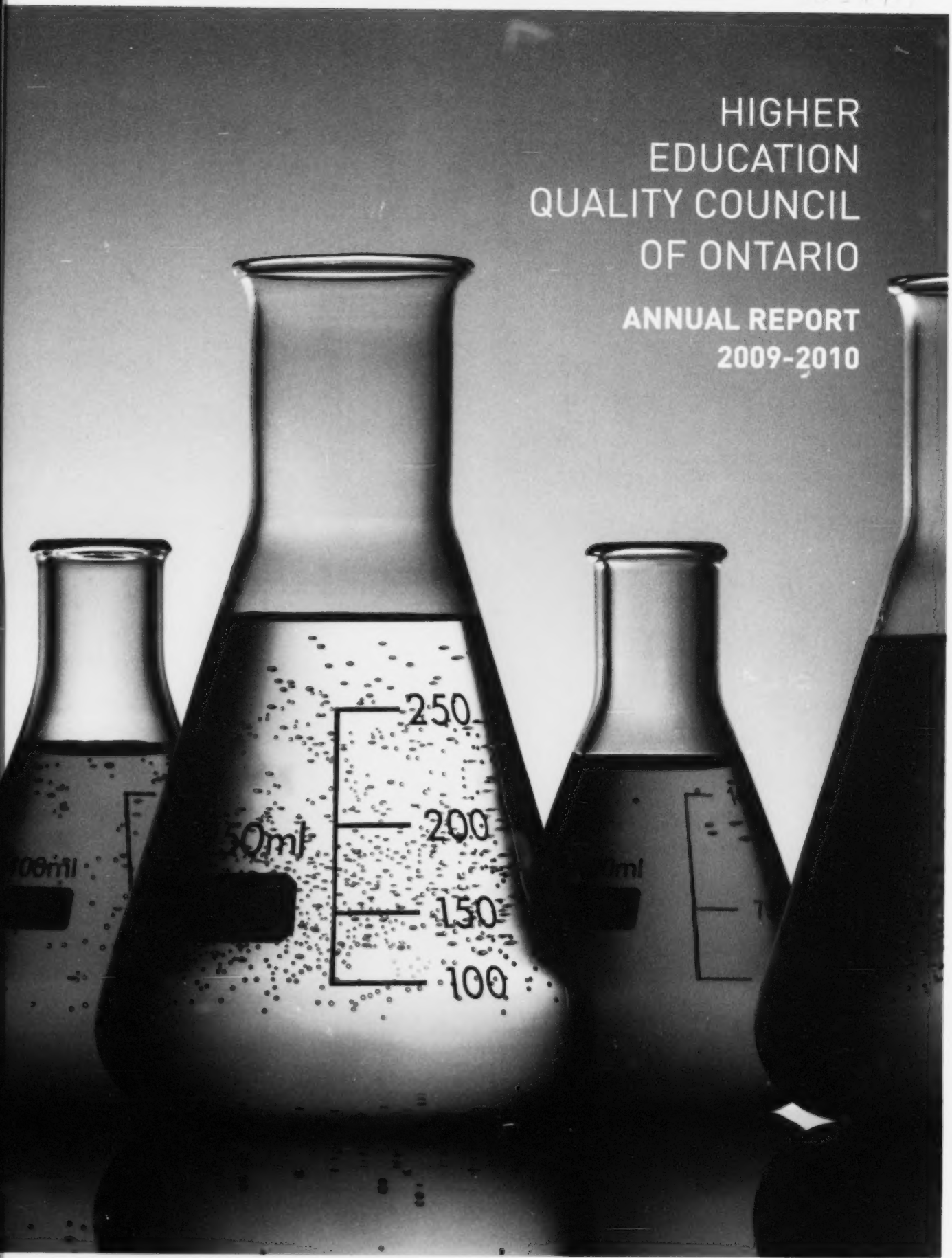

HIGHER EDUCATION QUALITY COUNCIL OF ONTARIO

ANNUAL REPORT 2009-2010

ANNUAL REPORT 2009-2010

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PROFILE

The Higher Education Quality Council of Ontario (HEQCO) is an independent agency of the Government of Ontario dedicated to supporting the ongoing improvement of Ontario's system of postsecondary education. HEQCO was created through the *Higher Education Quality Council of Ontario Act, 2005*. Its mandate is to conduct independent research, evaluate the postsecondary education system and provide policy recommendations to the Minister of Training, Colleges and Universities with a view to enhancing the quality, access and accountability of higher education in Ontario.

CHAIR'S MESSAGE

For the past three years the Higher Education Quality Council of Ontario has focused on building a foundation of research in postsecondary education – thoughtful and independent research that the Rae Review recommended be pursued. We now have a critical mass of quality research that allows government and institutions to make more informed decisions. From this position, we have a much more informed picture of our past and of the challenges and opportunities on our journey forward.

Executing our Research Strategy

Again this year, we evaluated the postsecondary education sector based on four major themes: accessibility, learning quality, accountability, and system design. In our flagship publication for the year, the *Third Annual Review and Research Plan*, we provided an evaluation of the current system of higher education in Ontario in which the overarching theme is one of notable success. But we caution that now is not the time to rest on our laurels, especially given the ambitious goals for our postsecondary education system set forth by the Province of Ontario.

In addition to our traditional research papers, this year we expanded our output to include two major books along with a series of research notes that serve as a snapshot of research and practice on a variety of topics in higher education. In all we released 13 publications. We were also pleased to provide advice to the Minister of Training, Colleges and Universities on the structure of the Multi-Year Accountability Agreements with Ontario postsecondary institutions.

As in previous years, we organized a number of seminars, workshops and conferences that contributed to a better understanding and a much needed dialogue of what is required to advance a quality agenda for Ontario's postsecondary education system. Of particular note were the events we held related to teaching and learning quality and system sustainability and design.

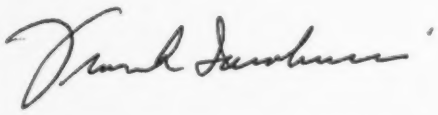
Governance and Strategic Planning

HEQCO continues to be guided by an exceptional board of directors including: Norie Campbell, Gisèle Chrétien, Navin Dave, Catherine Henderson, David Marshall, and Deputy Minister Deborah Newman. Together, we have renewed a strategic plan that affirms the focus of the Council and seeks to evolve our work in such a way that policy and practice is more acutely informed by our research.

We also have worked collaboratively with our sector partners through our Research Consultation Group who help us charter the waters of higher education research, policy and practice. In addition, our synergy with the Ministry of Training, Colleges and Universities also ensures that our work is timely and relevant.

A Closing Thought...

For a minimal investment, the Council is able to provide evidence-based research and policy advice that seeks to improve the quality of Ontario's postsecondary education system. Our resources are small but our impact is wide and growing. As the importance of a postsecondary education increases, we believe that those who value this investment will gain a competitive advantage.



THE HOUNOURABLE FRANK IACOBUCCI, C.C., Q.C.
Chair, Higher Education Quality Council of Ontario

EXECUTING OUR RESEARCH STRATEGY

In its second full year of operation and with much of its foundational research complete, the Higher Education Quality Council of Ontario (HEQCO) expanded its scope and conducted more extensive research in the areas of accessibility, educational quality, accountability, and system design.

At the start of the 2009-10 fiscal year, it was announced that HEQCO's budget would be reduced from $8 million to $5 million. Consequently, many of the priority areas identified in its *Second Annual Review and Research Plan* had to be reevaluated. Some proposed projects were abandoned and others were deferred to later dates.

In 2009-10, HEQCO awarded 20 new research contracts and had 56 projects underway (some were multi-year undertakings that had started in previous fiscal years). Of the 20 new contracts awarded, eight were projects on accessibility totaling $853,567; nine were projects on educational quality totaling $236,458; and three were projects on accountability totaling $70,028. No new contracts were awarded in the area of system design, although two projects initiated in the 2008-09 fiscal year were still underway.

Accessibility

To continue its accessibility agenda, HEQCO began projects to mine existing data sources in order to provide a more complete overview of PSE participation and attainment. The goal of this exercise is to get a fuller picture of participation and persistence among students from under-represented groups, to identify and assess barriers to PSE, and to provide a more complete account of PSE pathways and student choices. Projects in this area include *Exploring PSE Outcomes of High-Risk Applicants; a Longitudinal Survey of Ontario Youth*; a project to understand application rates as well as how the choices made in secondary school affect application decisions; *Exploring PSE Accessibility, Persistence and Labour Market Success of Ontario Youth Through Linked Data Sets; Do Students with Disabilities Require Longer Time to Graduate than Non-Disabled Students?*; and *Exploring Pathways to PSE for Under-Represented Groups*.

HEQCO also published the following reports in this area:

Emotional Intelligence Interventions to Increase Student Success
Barbara Bond and Rose Manser, Fleming College
The report discusses a project that aimed to improve the emotional and social competencies of students through the modification of a Career Technology Essentials course at Fleming College.

Research Note 1: Postsecondary Education Attainment and Participation in Ontario
Ken Norrie and Sylvia Lin
The report addresses and clarifies the confusion regarding Ontario's performance in postsecondary education compared to its future requirements in human capital.

Research Note 3: "What About the Boys?" An Overview of Gender Trends in Education and the Labour Market in Ontario

Angelika Kerr

The report provides an overview of gender patterns in participation, performance and attainment in Ontario higher education and examines the implications these patterns have on labour market choices and outcomes. This research note also examines gender patterns at the elementary and secondary school levels.

Another report, published by Colleges Ontario, was sponsored, in part, by HEQCO:

Who Doesn't Go To Post-secondary Education?

A.J.C. King, W.K. Warren, M.A. King, J. E. Brook, and P.R. Kocher

This paper identifies the demographic, educational, financial, and other characteristics of young people in Ontario who do not pursue post-secondary education directly or shortly after leaving high school.

Educational Quality

Educational quality continues to be an important part of HEQCO's mandate. As indicated in its *Second Annual Review and Research Plan*, HEQCO planned interventions at institutions to test the effectiveness of policies designed to address barriers to PSE participation and persistence and would begin projects to develop a fuller understanding of the ability of engagement surveys to serve as indicators of learning outcomes. HEQCO would also develop ways to mobilize knowledge about effective teaching and learning practices, and evaluate the effectiveness of student service programs and identify promising practices. Projects begun in 2009-10 include: *An Inventory of Language Skills Assessment and Upgrading at Ontario Colleges; NSSE National Data Analysis; Supporting Student Success: The Role of Student Services within Ontario Postsecondary Institutions*; and *Work-Integrated Learning in Ontario PSE*.

As part of its *Knowledge Mobilization for Exemplary Teaching and Learning* project started in 2008-09 to effectively share exemplary teaching practices, a series of multi-year pilot studies and projects were initiated in this fiscal year. The projects were *Pilot Studies of Collaborative Research and Knowledge to Achieve Undergraduate Degree-Level Expectations* to outline what institutions would have to include in order to grant degrees at the bachelor's, master's and doctoral levels; *Ontario Collaboratory for Exemplary Teaching in College Mathematics* to evaluate the technological and social infrastructures that support practitioners and researchers in sharing their knowledge; as well as ABC *(Aligning and Building Curriculum) Resource Project* to investigate the resources needed to support the development of a proposed Knowledge Exchange Network.

On this theme, HEQCO published the following reports:

Measures of Student Engagement in Postsecondary Education: Theoretical Basis and Applicability to Ontario's Colleges

CCI Research Inc.

This paper provides a comprehensive overview of the issues related to the construct of student

engagement. More specifically, the paper includes a summary of the underpinnings of student engagement theory, a description of the working definitions of student engagement, and a review of 23 engagement-related survey instruments.

Faculty Engagement in Teaching Development Activities – Phase 1: Literature Review
Frederick Evers, Shirley Hall, Judy Britnell, Bettina Brockerhoff-Macdonald, Lorraine Carter, Debra Dawson, Donald Kerr, Joy Mighty, Gillian Siddall, and Peter Wolf
The report provides a review of the literature related to faculty engagement in teaching development activities in universities and discusses changes to student and faculty learning models, the scholarship of teaching and learning (SoTL), as well as teaching and learning initiatives underway at universities in Canada and other geographic regions.

Exploring the Utility of the 2007 Canadian Graduate and Professional Student Survey: Student Satisfaction at the University of Western Ontario
Nicolas Spence, University of Western Ontario
The report analyses the results of the 2007 Canadian Graduate and Professional Student Survey of 1,354 University of Western Ontario students. Information was collected on general satisfaction with the university, advisors, and field of study; satisfaction with the program, quality of interactions, and coursework; professional skills development and research experience; and university resources and student life.

Taking Stock: Research on Teaching and Learning in Higher Education
Julia Chirstensen Hughes and Joy Mighty, eds.
A book that argues that postsecondary institutions need to enhance faculty teaching practices in order to improve student learning outcomes. It comprises a compilation of essays by internationally renowned experts in teaching and learning and draws on evidence suggesting that common teaching practices do not adequately respond to the diverse learning needs of students.

Accountability

As part of its research on accountability, HEQCO began to evaluate the ability of the PSE system to respond to the province's labour market needs. As such, HEQCO invited proposals on accessibility, persistence, and labour market success of Ontario youth through linked data sets. Four contracts were awarded: *Exploring the Alignment Between Postsecondary Education and the Labour Market in Ontario; The Labour Market Outcomes of Ontario's Postsecondary Graduates: Evidence from the 2005 Cohort of the National Graduates Survey; Labour Market Outcomes in Ontario*; and *Exploring Postsecondary Education Accessibility, Persistence and Labour Market Success of Ontario Youth Through Linked Data Sets*. One other project in this area was initiated: *Work-Integrated Learning in Ontario Postsecondary Education*.

In this area, HEQCO published the following report:

University Participation and Income Differences: An Analysis of Applications by Ontario Secondary School Students
Martin D. Dooley, A. Abigail Payne and A. Leslie Robb, McMaster University

The study looks at students applying to university from publicly funded English secondary schools in Ontario from 1995 to 2005 along with socio-economic characteristics found in the Censuses from Statistics Canada from 1991 to 2006.

System Design

While there were no new contracts awarded in the area of system design in 2009-10, HEQCO published a number of reports in this area including:

Revisiting Ontario College and University Revenue Data

Snowdon & Associates

The report attempts to provide a dependable estimate of inflation-adjusted revenue per full-time equivalent student in Ontario's colleges and universities. It also provides a review of key revenue sources and an analysis of changes in funding sources.

Academic Transformation: The Forces Reshaping Higher Education in Ontario

Ian D. Clark, Greg Moran, Michael L. Skolnik, and David Trick

A book that calls into question the sustainability of the postsecondary education system in Ontario and finds that the standard model of undergraduate education in Ontario is based on the belief that students should be taught only by faculty members who are actively engaged in original research. Such full-time faculty are expected to spend about 40 per cent of their time and effort on research, 40 per cent on teaching, and 20 per cent on service to the university and the community. The authors argue that this model is unsustainable.

Research Note 2.1: Encouraging Participation: Trends in Pathways to Postsecondary Education

Mary Catharine Lennon

The first, in a three part series, this paper examines a number of OECD jurisdictions, mainly the UK, Switzerland and Germany, and their strategies to enhance participation in and movement within education systems. It looks specifically at how nations encourage participation by individuals, businesses, industries, and local governments in skills development, education, and training.

Research Note 2.2: A Fine Balance: Supporting Skills and Competency Development

Mary Catharine Lennon

The second in a three part series, this paper examines issues related to the development of skills, competencies, and knowledge and the labour market issues faced by skilled graduates. It draws on the experiences of the United Kingdom, the European Union and the United States.Like many jurisdictions around the world, they are all grappling with how best to support the knowledge base of their populations through higher education as well as how best to support their labour markets.

Research Note 2.3: Signalling Abilities and Achievement: Measuring and Reporting on Skill and Competency Development

Mary Catharine Lennon

The third in a three part series, this paper examines initiatives designed to measure and report on acquisition of skills and competencies. It looks specifically at how various jurisdictions have developed common definitions when stating expectations about learning outcomes, transparency in communication of goals and accomplishments and the enhanced mobility of students within education systems and institutions.

The Third Annual Review and Research Plan, published in March, summarizes what HEQCO has learned through its research activities over the past year. It also identifies current knowledge gaps and sets out research priorities for the coming year.

As outlined in the Memorandum of Understanding (MOU) between HEQCO and the Ministry of Training, Colleges and Universities, HEQCO was asked to offer advice on a framework for the new Multi-Year Accountability Agreements (MYAAs). HEQCO's

recommendations stem from an extensive consultation and research process, including workshops, commissioned external research, formal and informal discussions with stakeholders and feedback on presentations of preliminary ideas to gatherings of college, university, and Ministry staff.

In short, HEQCO's recommendations would result in an accountability framework that:

- sets explicit targets for PSE system goals;
- creates a consultative process to establish sytem targets (Ministry, institutions, HEQCO);
- allows HEQCO to report annually on system performance relative to targets;
- supports a distinct two-part reporting framework for institutions, supporting:
  - core, system-wide indicators;
  - individual, mission-specific indicators drawn directly from institutions' strategic plans;
- allows individual targets for core indicators to vary with institutional missions;
- supports consistent definitions and data for core performance indicators;
- pays explicit attention to the 'adding up' issue for core indicators;
- provides for one-on-one discussions between Ministry and institutions:
  - prior to an academic year to establish targets for core indicators, and goals and targets for mission-specific indicators; and,
  - after academic year to discuss results and plans;
- encourages qualitative as well as quantitative evaluation of performance relative to targets; and
- creates an explicit link between the accountability components and the planning component.

Further details about HEQCO's recommendation to the Minister on the proposed framework can be found on its website at http://www.heqco.ca/en-CA/Policy_Advice/Pages/default.aspx.

The State of Higher Education in Ontario

Conclusions drawn from HEQCO's *Third Annual Review and Research Plan*, published in March 2010, indicate that Ontario's postsecondary education system is sound but there are challenges that lie ahead.

Our Review and Research Plan contributed to a discussion on a new PSE strategy for Ontario as Reaching Higher: The McGuinty Government Plan for Postsecondary Education was coming to an end.

Human capital was identified by Reaching Higher as key to the future success of Ontarians and the province. One of its objectives was to increase college and university enrolment; that goal was realized. Furthermore, from our analysis we concluded that Ontario is currently meeting its requirements for a workforce with postsecondary credentials. Among Ontario's younger population and workforce, the expected PSE attainment rate is about 70 per cent. This is first among provinces and compares favourably to other OECD countries. If two-thirds of the jobs created between 2006 and 2016 require some form of PSE or training, Ontario is well positioned. In 2010-11, some of our research in this area will look at whether Ontario's PSE system is adequately responsive to the needs of the labour market. In particular, we will focus on whether graduates have the knowledge and skills that align with labour market needs.

Ensuring accessibility to all those qualified is important if the province is to meet its future human capital targets. Our research in this area focused on some of the traditionally under-represented groups identified in Reaching Higher. We concluded that income plays a significant role in determining who applies to university but that there is little impact once students actually register. Specifically, there is a 13.6 per cent difference in university application rates between the highest and lowest income quartiles in Ontario.

When turning to specific under-represented groups, data problems exist in a number of cases. Particularly with respect to Aboriginal students and first generation students, we do not know how many are enrolled in Ontario's PSE institutions. Addressing these gaps is a priority for HEQCO as it will enable us to better understand accessibility in Ontario.

Much of our work on students with disabilities, immigrants and the effects of gender is still underway. However, we do know that the number of students with disabilities participating in Ontario's PSE system will increase dramatically in the future. Our research on immigrants will focus on educational attainment and their labour market experiences.

In identifying how Ontario is doing in achieving its quality objectives, HEQCO is analyzing a variety of different surveys. Ontario employs a number of quantitative indicators of educational quality, from the college student surveys to the National Survey of Student Engagement, although none measures quality directly. Preliminary analysis shows us that students are generally satisfied with the quality of their educational experiences, although there is room for improvement.

Increasing the opportunities for at-risk students to succeed is important for a quality education system. Recent research on graduation rates shows that for college students, the average five-year graduation rate is 82 per cent; for university students it is 89.8 per cent. Research on why students drop out shows that lack of interest and poor program fit may be the contributing factors. For 2010-11, HEQCO is pursuing a number of projects to better understand retention and persistence in PSE. HEQCO is also exploring ways to increase teaching and learning and has a number of initiatives underway. Work is being conducted on faculty engagement in teaching, evaluating student services, and work integrated learning to name a few.

Most of our research on accountability focused on setting targets and measures to monitor the quality and performance of the PSE sector in Ontario. This culminated in HEQCO's policy advice to the Minister of Training, Colleges and Universities on a proposed framework for the next generation of MYAAs.

Our research on system design led us to conclude that changes to the design of the system may be required as the system will face challenges in accommodating the expected increases in enrolment. In our Review and Research Plan, we offer a number of suggestions for different avenues to pursue including enhancing college-university collaboration, addressing funding, and even significant design changes, as proposed by the authors of *Academic Transformation*.

DISCOVERING AND SHARING KNOWLEDGE

As a government agency, HEQCO strives to be accountable to the public and continues to maintain its inclusive and open approach to conducting research and disseminating knowledge.

Working Collaboratively

Similar to previous fiscal years, the President continued to meet with leaders in the postsecondary education sector. The President held 24 meetings with senior administrators at Ontario's colleges and universities as well as with heads of postsecondary associations and the government.

HEQCO's Research Consultation Group (RCG), comprised of members from sector organizations and the government, met three times during the 2009-10 fiscal year. Topics of the meetings included credit transfer, educational quality, and system design.

HEQCO staff also met with various stakeholder groups throughout the year in order to stay informed of the issues in the sector and to disseminate and discuss research findings.

Ensuring an Open Dialogue

To increase dialogue on important issues facing the sector, HEQCO staff participated in a number of conferences and meetings during 2009-10. Specifically, staff gave 37 presentations throughout the year at venues such as at the Improving University Teaching (IUT) 34th International Conference at Simon Fraser University; at the Annual Canadian Institutional Research and Planning Association (CIRPA) conference of Finding Meaning in Measurement; and at various college, university, and government events, to name but a few.

With a goal to create relationships with sector representatives, increase support for its research and gain and disseminate knowledge, HEQCO hosted various workshops and events during 2009-10:

- Three workshops on student retention brought together institutional officials and researchers with expertise in retention initiatives to share experiences and best practices. The goal of the workshops was to take stock of the current research and discuss whether a research project on this subject was feasible. The workshops took place on August 21, 2009, October 2, 2009, and January 7, 2010.
- To support a possible research project that would explore the broad range of work integrated learning (WIL) opportunities currently available to postsecondary students in Ontario, HEQCO hosted two workshops on work integrated learning. Representatives from seven Ontario postsecondary institutions participated in preliminary discussions on the direction, purpose, and scope of the proposed project. The workshops took place on September 11, 2009, and January 21, 2010.

  As a result of the workshop, HEQCO issued a Request for Proposals to explore and better comprehend the broad range of work integrated learning opportunities that are currently available for postsecondary students in Ontario. A contract was awarded to Academica Group Inc. to examine the impact of WIL on the overall quality of the learning experience and alignment with labour market opportunities.
- A Workshop on a Collaborative Knowledge Exchange for Undergraduate Degree-Levels Expectations, as part of the Knowledge Mobilization for Exemplary Teaching and Learning project, to share results and ideas across the two project clusters: Languages

STRENGTHENING OUR INFRASTRUCTURE

As an agency of the Government of Ontario, HEQCO endeavours to increase its efficiency by continuously reviewing and revising its management practices and policies.

and Literatures and the Faculty of Arts and Science. The Workshop took place on December 17, 2009.

» On November 30, 2009, HEQCO hosted the launch of *Academic Transformation: The Forces Reshaping Higher Education in Ontario*, a provocative book questioning the sustainability of Ontario's postsecondary education system. With over 100 representatives from Ontario's colleges, universities, government, private organizations and postsecondary education associations, the launch was a success.

» On March 22, 2010, HEQCO hosted the launch of *Taking Stock: Research on Teaching and Learning in Higher Education*, a book calling for improvements to teaching and learning at Ontario's institutions. The book was a culmination of essays from a 2008 symposium hosted by HEQCO on the same subject. In attendance were a number of representatives from Ontario's colleges, universities, the government, and postsecondary education associations.

In order to ensure transparency, HEQCO continues to publish details of its research projects on its website. Information such as project title, principal investigator(s), description, and dollar value of the contract are published in the Funded Research section of the website.

Governance Policies and Operating Procedures

In its second full year of operation, HEQCO reviewed and finalized some of its key policies and procedures.

1. **CONFLICT OF INTEREST.** When the general Conflict of Interest policy was approved in 2008-09, the Board of Directors expressed interest in defining a recusal policy and in the development of other supporting documentation for conflict of interest situations.

   A Recusal Process, by which a person is disqualified or disqualifies him/herself from a matter because of conflict of interest, was approved and implemented in 2009-10. The adopted procedure requires that if the HEQCO Ethics Executive (the President for staff, the Chair for the Board) identified an incompatible financial or personal interest in a matter, that he/she would have to withdraw him/herself in writing from that matter. The process also required that if a member of the Board was directly or indirectly interested in any contract or transaction being considered, that he/she would identify this interest and abstain from participating in the discussion, from moving and seconding motions, and from voting.

   HEQCO also revised its Conflict of Interest policy to include forms on "Acceptance of Gifts", "Deriving Benefit from Employment", "Disclosure of Confidential Information", "Hiring of Relatives", "Outside Activities", "Preferential Treatment", "Prospect of Future Employment", and "Use of Confidential Information".

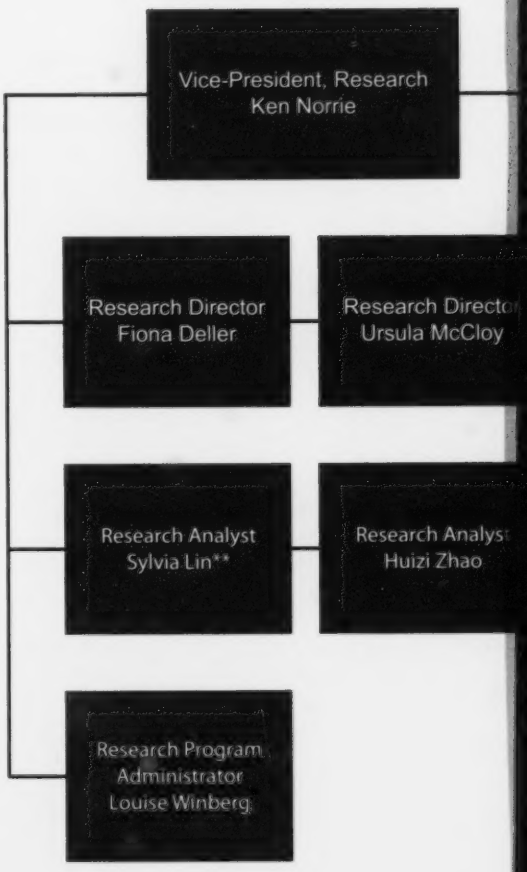
2. **PURCHASING POLICY.** In 2009-10, the Board accepted a recommendation from the Audit Committee and approved the revisions to HEQCO's Purchasing Policy to conform to the new procurement directive issued by Management Board of Cabinet to tighten rules regarding the purchase of goods and services. The directive requires that all non-competitive

contracts over $100,000 be approved by both the Deputy Minister and the Minister of Training, Colleges and Universities. It also requires that all consulting contracts (including research) be competitively acquired.

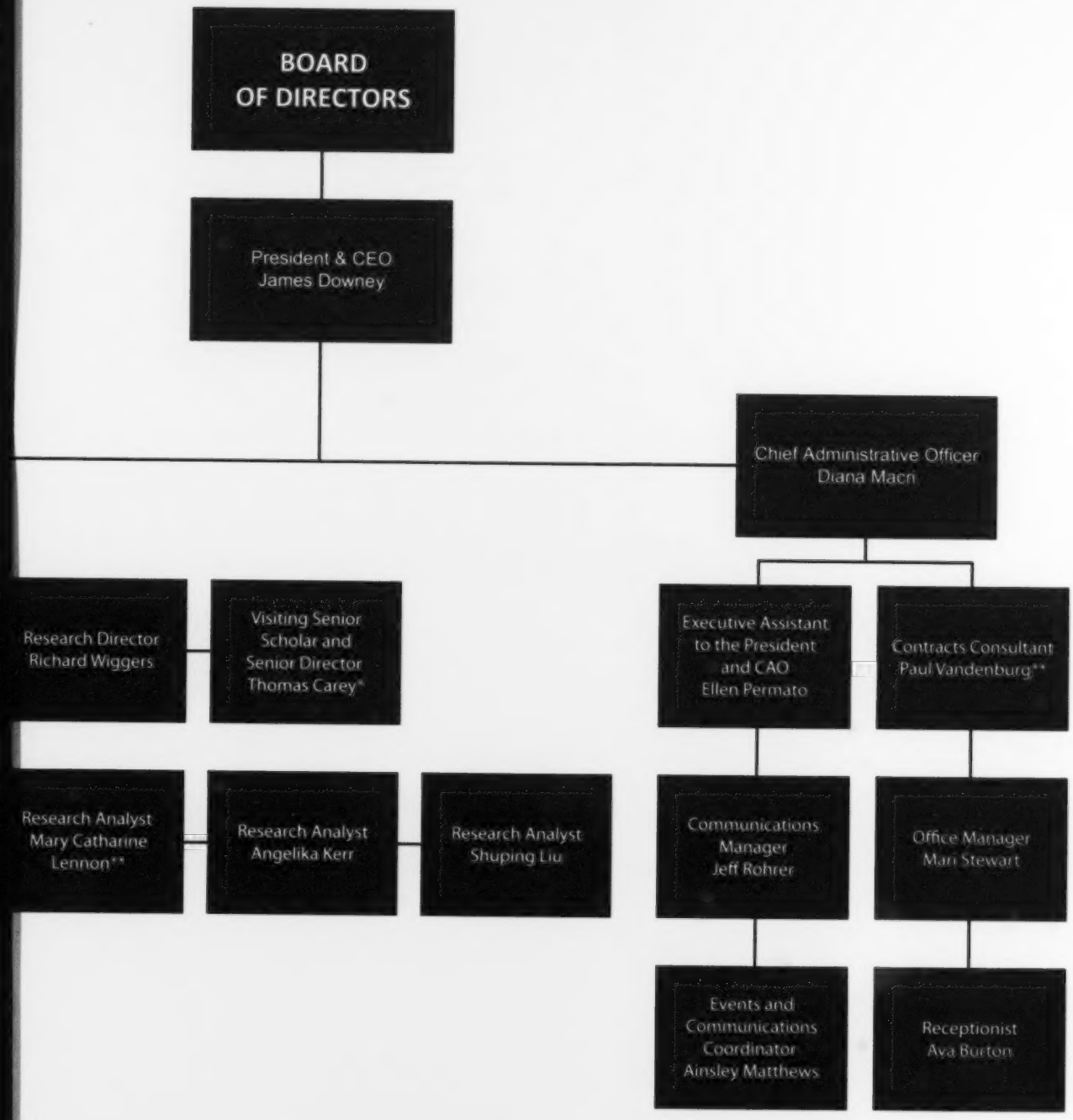
Staffing

It was announced in September that President and CEO James Downey would not be seeking re-appointment at the end of his term. As HEQCO's founding president, Dr. Downey effectively guided HEQCO through its start-up phase, assembled a first-rate staff, oversaw the development of an ambitious research agenda and established constructive relations with the higher education community. The search for a new president began with the creation of a search committee, which was composed of members of the Board of Directors, who have the responsibility of selecting a president. As an open competition, an advertisement for the position was made public. At a February meeting, the Board of Directors selected Dr. Harvey Weingarten, formerly President of the University of Calgary and Provost of McMaster University, as the next President and CEO. Dr. Weingarten will assume his new role on July 1, 2010 and in the interim, Vice-President Research Ken Norrie will act as president.

With the departure of the Director, Executive Services and the retirement of the Director, Corporate Services, HEQCO recognized this as an opportunity to revisit the staffing structure and alignment of duties within the organization. With a goal to create a more efficient workforce within the organization and manage the reduction in budget, the position of Chief Administrative Officer was created. This position integrated many of the duties of both the Director, Executive Services position and the Director, Corporate Services position. Other positions in the organization were also reviewed and the Communications Manager, Events and Communications Coordinator, and Office Manager assumed more responsibilities.



Organization Chart


BOARD OF DIRECTORS
President & CEO James Downey
Chief Administrative Officer Diana Macri
Research Director Richard Wiggers
Visiting Senior Scholar and Senior Director Thomas Carey*
Executive Assistant to the President and CAO Ellen Permato
Contracts Consultant Paul Vandenburg**
Research Analyst Mary Catharine Lennon**
Research Analyst Angelika Kerr
Research Analyst Shuping Liu
Communications Manager Jeff Rohrer
Office Manager Mari Stewart
Events and Communications Coordinator Ainsley Matthews
Receptionist Ava Burton

*Thomas Carey is half-time seconded from the University of Waterloo for 2-3 years. He will oversee the project "Knowledge Mobilization for Exemplary Teaching and Learning".
**Sylvia Lin, Mary Catharine Lennon, and Paul Vandenburg are contract staff.

OUTLOOK FOR 2010-2011

With a $5,000,000 budget for 2010-11, HEQCO will continue to conduct research in its four mandate areas of accessibility, educational quality, accountability, and system design. HEQCO will continue to develop policy advice as requested by the Minister of Training, Colleges and Universities.

As outlined in its *Third Annual Review and Research Plan*, HEQCO's research priorities for the coming year are to:

1. **FILL DATA GAPS.** The three main approaches to filling the gaps are i) mining national data sources for Ontario-specific information, ii) exploring data-linking opportunities, and iii) assessing the feasibility of a made-in-Ontario longitudinal survey. For the latter two, HEQCO will explore the advantage of adopting a common student identifier, such as the OEN.

   The information will be useful in all aspects of its future work, but especially for understanding the participation and persistence decisions made by under-represented groups, the place of pathways in Ontario's PSE system, and the links between postsecondary credentials and labour market outcomes.

2. **EXAMINE THE ROLE OF PSE IN MEETING THE LABOUR MARKET NEEDS OF THE NEW ECONOMY.** This work will proceed in two stages. The first step is to examine the links between PSE attainment and labour market outcomes by level, by field of study, and by population characteristics. HEQCO has external work underway using the *National Graduates Survey*, and will add to this with disaggregated data from the 2006 census.

   The second step is examining the policy options for improving these linkages; for example, providing more detailed labour market information, publicizing learning outcomes of PSE programs, making it easier for potential students to learn about these programs and adjust their choice accordingly, and assisting colleges and universities in adapting to changing application patterns.

3. **COMPILE A MORE COMPLETE AND RELIABLE PROFILE OF STUDENTS' PARTICIPATION AND PERSISTENCE IN ONTARIO POSTSECONDARY EDUCATION.** This work will draw on the information acquired through HEQCO's gap-filling activities, and on best practices in structuring survey questions to encourage self-identification. An accurate count of participation by under-represented groups is essential for understanding the magnitude of the challenge we face in improving accessibility, and for evaluating the effectiveness of polices directed at reducing these difficulties.

   On the policy front, HEQCO will focus in particular on early intervention strategies. Our research will begin by examining international experiences, particularly those in the United States, to discern lessons for Ontario.

4. **PROCEED WITH EDUCATIONAL QUALITY RESEARCH BY CONTINUING WITH EMPIRICAL WORK INVESTIGATING THE POTENTIAL FOR USING STUDENT ENGAGEMENT AND SATISFACTION SURVEYS AS INDICATORS OF EDUCATIONAL QUALITY.** This will build on research already completed with the college satisfaction surveys and underway with the NSSE results. This research is of immediate relevance for choosing performance indicators for the revised MYAAs.

   HEQCO will also continue to work with colleges and universities to evaluate the effectiveness of alternative ways to deliver teaching and learning and to provide student support services as well as supporting the dissemination of effective educational practices. HEQCO's contribution is to facilitate networks and support collaborative projects. HEQCO will also support efforts by colleges and universities to identify at-risk students and evaluate strategies for improving retention and graduation rates.

5. **CONTINUE TO WORK WITH THE MINISTRY, AND WITH STAKEHOLDER GROUPS AS APPROPRIATE, TO DEVELOP AND IMPLEMENT A NEW SET OF MYAAS.** Much of the work noted in previous points – compiling participation rates for under-represented groups, evaluating student engagement and satisfaction surveys as indicators of educational quality – fits with this commitment.

6. **INITIATE A SERIES OF COST-BENEFIT AND FEASIBILITY ANALYSES OF THE PROPOSALS CONTAINED IN *ACADEMIC TRANSFORMATION* AND IN OTHER ANALYSES OF ONTARIO'S PSE SYSTEM.** HEQCO recognizes that the Ministry has taken the lead with respect to college-university collaboration, including credit transfer and credentials recognition. HEQCO stands ready to assist in providing evidence-based advice on these issues, as appropriate.

   Efforts over the next 12 months will be on changes that could be instituted within the existing structure such as 3-year degrees, more teaching professors, and greater use of e-learning and m-learning. HEQCO intends to support the government with evidence-based research as they implement the Ontario Online Institute and as they aim to increase the number of international students. This work will require prior consultations with stakeholder groups.

With a lot of its initial research complete and more projects underway, HEQCO will continue to host events and publish reports in the 2010-11 year in order to share research findings and contribute to the ongoing dialogue on improving the postsecondary education sector in Ontario.

BOARD OF DIRECTORS AND OFFICERS OF THE COUNCIL

The Higher Education Quality Council of Ontario's board of directors brings a rich diversity of perspectives to the Council. Board members draw upon backgrounds in business, postsecondary education, and public service to guide and support the Council's initiatives.

The board of directors is responsible for setting the strategic direction of the Council and ensuring that its activities remain aligned with its mandate.

The Council's board of directors met seven times during 2009-10: April 15, 2009 (special session to discuss the budget cut); May 26, 2009; July 28, 2009; September 22, 2009; December 8, 2009; February 9, 2010; and March 16, 2010.

All board appointments are made by the Lieutenant Governor in Council.

The Honourable Frank Iacobucci, C.C., Q.C.

CHAIR

TERM: MAY 12, 2006 – MAY 11, 2009
REAPPOINTMENT: MAY 12, 2009
TO MAY 11, 2012

The Honourable Frank Iacobucci has had a distinguished career in private legal practice, academe, public service, and the judiciary. He received his B. Comm. and LL.B from the University of British Columbia. He went on to receive his LL.M. and Dip. Int'l L. from Cambridge University. In 1967, he joined the Faculty of Law, University of Toronto, and was a professor of law there until 1985. He also served as vice-president, internal affairs at the University of Toronto from 1975 to 1979 and dean of the Faculty of Law from 1979 to 1983. From 1983 to 1985, he was vice-president and provost of the University. In 1985, he was appointed deputy minister of justice and deputy attorney general for Canada; in 1988, chief justice of the Federal Court of Canada; and in 1991, a justice of the Supreme Court of Canada.

He retired from the Supreme Court of Canada in June 2004 and served as interim president of the University of Toronto from September 2004 until June 2005. On July 1, 2005, he joined Torys LLP as counsel and became chairman of Torstar Corporation. He currently serves as a conduct review advisor for the Canada Pension Plan Investment Board and is a member of the board of directors of Tim Hortons Inc. As well, he is a member of the Law Commission of Ontario. He is a Companion of the Order of Canada.

Norie Campbell

BOARD MEMBER

TERM: OCTOBER 5, 2006 TO OCTOBER 4, 2009
REAPPOINTMENT: OCTOBER 5, 2009
TO OCTOBER 4, 2012

Norie Campbell is a senior vice-president and assistant general counsel in the legal department at TD Bank Financial Group. From June 2004 to January 2006, she was vice-president and special assistant to the chief executive officer.

Prior to joining the legal department of TD Bank Financial Group in December 2000, she practised at the firm of McCarthy Tétrault LLP in their business law group. She is a member of the board of directors of the St. Christopher House Community Endowment.

She holds a LL.B. and LL.M. (banking and financial services) from Osgoode Hall Law School. She was called to the Bar in Ontario in 1997.

Gisèle Chrétien

BOARD MEMBER

TERM: SEPTEMBER 6, 2006
TO SEPTEMBER 5, 2009
REAPPOINTMENT: SEPTEMBER 6, 2009
TO SEPTEMBER 5, 2012

Gisèle Chrétien served as president of Collège Boréal in Sudbury from 1998 to 2006. Prior to this, she was vice-president of programs and academic support at Collège Boréal, dean of community and health services, and director of health services.

She is currently the chair of the board of directors of the Sudbury Regional Hospital, and chair of the board of directors of TFO.

She holds a diploma in nursing from Cambrian College, a B.Sc. in nursing from Laurentian University, and an M.Ed. from the Ontario Institute of Studies in Education at the University of Toronto.

Navin Dave

BOARD MEMBER

TERM: SEPTEMBER 20, 2006
TO SEPTEMBER 19, 2009
REAPPOINTMENT: SEPTEMBER 20, 2009
TO SEPTEMBER 19, 2012

Navin Dave is the managing partner for global resource leveraging for KPMG.

From 1984 to 1988 he was partner-in-charge of the Calgary office management consulting division. In 1994, he transferred to New Delhi, India as managing partner of KPMG India. On his return to Canada, he was appointed Calgary office managing partner and area managing partner for western Canada.

He holds a B.Sc. in mechanical engineering from the University of London and an M.Sc. in production engineering from the University of Birmingham. He is a fellow of the Institute of Chartered Accountants and a certified management consultant.

Catherine Henderson

BOARD MEMBER

TERM: JUNE 13, 2007 TO JUNE 12, 2008
REAPPOINTMENT: JUNE 11, 2008
TO JUNE 10, 2011

Currently a management consultant, Catherine Henderson has served as president of the Ontario College of Art and Design, president of Centennial College, and vice-president, academic of Sheridan College.

During her distinguished career, she has also held a variety of academic positions at other leading Ontario educational institutions.

She is active in the community and is a member of the boards of the Multiple Sclerosis Society of Canada and the Toronto Waterfront Revitalization Corporation Advisory Committee.

She holds an Ed.D. from the University of Toronto, an M.Ed. from Brock University, a B.A. from the University of Toronto, and a diploma from Sheridan College.

David Marshall

BOARD MEMBER

TERM: JUNE 13, 2007 TO JUNE 12, 2008
REAPPOINTMENT: JUNE 11, 2008
TO JUNE 10, 2011

David Marshall is president of Mount Royal University, a position he has held since 2003. Prior to joining Mount Royal University, he had a long career in education as a high school teacher, professor and dean. Most recently he served as president and vice-chancellor of Nipissing University and for 13 years led that institution's transition to independent university status. He is currently leading Mount Royal through a similar transformation process.

He is a leader in the postsecondary education sector and has published on higher education management and undergraduate education. He holds various executive positions with several international higher education organizations.

He holds a B.Sc. from the University of Western Ontario, a Diploma in Education from Lakehead University, and an M.Ed. and Ph.D. in educational administration from the University of Alberta.

Deborah Newman

BOARD MEMBER (NON-VOTING)

TERM: FEBRUARY 25, 2009
TO FEBRUARY 24, 2012

In December 2008, Deborah Newman was appointed Deputy Minister for the Ministry of Training, Colleges and Universities.

Prior to this appointment, she served for three years as Deputy Minister with the Ministry of Community Safety and Correctional Services. Deborah was responsible for policing, correctional services and public safety, including the Ontario Provincial Police (OPP), oversight of municipal policing, the Centre of Forensic Sciences, the Office of the Chief Coroner, the Office of the Fire Marshal and Emergency Management Ontario.

Prior to joining the Ontario Public Service in 1987, Deborah held a number of senior management roles in correctional services in Alberta.

Deborah Newman holds a Bachelor's degree in Psychology, a Master's degree in Criminology from the University of Ottawa, and is a graduate of the Queen's University Public Executive Program.

OFFICERS OF THE COUNCIL

James Downey
PRESIDENT, CHIEF EXECUTIVE OFFICER AND SECRETARY TO THE COUNCIL
JANUARY 1, 2007 – MARCH 31, 2010

Kenneth Norrie
VICE-PRESIDENT, RESEARCH
FEBRUARY 8, 2007 – PRESENT

Diana Macri
CHIEF ADMINISTRATIVE OFFICER*
DECEMBER 1, 2009 – PRESENT

Laura Butler
DIRECTOR, CORPORATE SERVICES
APRIL 2, 2007 – JANUARY 31, 2010

Elka Walsh
DIRECTOR, EXECUTIVE SERVICES
MARCH 1, 2007 – AUGUST 3, 2009

*Note: The Director, Corporate Services and Director, Executive Services positions were integrated into the Chief Administrative Officer position.

AUDITORS' REPORT

Deloitte.

DELOITTE & TOUCHE LLP
5140 YONGE STREET
SUITE 1700
TORONTO ON M2N 6L7
CANADA

TEL: 416-601-6150
FAX: 416-601-6151
WWW.DELOITTE.CA

To the Members of the Board of Directors
Higher Education Quality Council of Ontario

We have audited the statement of financial position of the Higher Education Quality Council of Ontario (the "Council") as at March 31, 2010 and the statements of operations, changes in net debt and cash flows for the year then ended. These financial statements are the responsibility of the Council's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Higher Education Quality Council of Ontario at March 31, 2010 and the results of its operations, changes in net debt and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Deloitte & Touche LLP

Chartered Accountants
Licensed Public Accountants
April 23, 2010

Statement of Financial Position

AS AT MARCH 31, 2010

	2010	2009
Financial assets		
Cash	$752,922	$811,979
Due from Ministry of Training, Colleges & Universities (Note 4)	-	98,630
Interest receivable	175	770
	$753,097	**$911,379**
Liabilities		
Accounts payable and accrued charges	$685,139	$804,581
Due to Ministry of Training, Colleges & Universities (Note 4)	113	-
Lease inducement	80,386	118,970
Deferred capital contributions (Note 5)	332,908	487,446
	$1,098,546	**$1,410,997**
Net debt	**($345,449)**	**($499,618)**
Non-financial assets		
Tangible capital assets (Note 6)	$332,908	$487,446
Prepaid expenses	12,541	12,172
	$345,449	**$499,618**
Accumulated surplus	**-**	**-**

Approved by the Board

DIRECTOR

DIRECTOR

Statement of Operations

YEAR ENDED MARCH 31, 2010

	Budget (Note 10)	2010 Actual	2009 Actual
Revenues			
Provincial funding	$5,156,400	$5,142,352	$5,275,912
Amortization of deferred capital contributions (Note 5)	173,100	168,443	163,063
Interest income	15,000	2,101	20,123
	$5,344,500	**$5,312,896**	**$5,459,098**
Expenses (Note 3)			
Governance	$760,000	$934,488	$1,079,774
Research	3,634,700	3,494,221	3,442,655
Administration	949,800	884,187	936,669
	$5,344,500	**$5,312,896**	**$5,459,098**
(Deficit) surplus for the year and accumulated surplus, end of year	-	-	-

Statement of Changes in Net Debt

YEAR ENDED MARCH 31, 2010

	Budget	2010	2009
Net debt, beginning of the year	$499,618	$499,618	$635,379
Surplus for the year	–	–	–
Acquisition of tangible capital assets	–	13,905	22,718
Amortization of tangible capital assets	(173,100)	(168,443)	(163,063)
Other adjustments – prepaid expenses	–	369	4,584
Net debt, end of the year	**$326,518**	**$345,449**	**$499,618**

Statement of Cash Flows

YEAR ENDED MARCH 31, 2010

	2010	2009
Operating activities		
Surplus for the year	–	–
Items not involving cash		
Amortization of deferred capital contributions	($168,443)	($163,063)
Amortization of tangible capital assets	168,443	163,063
Amortization of lease inducement	(38,584)	(38,586)
Changes in non-cash operating items		
Interest receivable	595	2,289
Accounts receivable	–	192,925
GST receivable	–	3,797
Prepaid expenses	(369)	(4,584)
Accounts payable and accrued charges	(119,442)	280,126
Due from Ministry of Training, Colleges and Universities	98,630	(98,630)
Due to Ministry of Training, Colleges and Universities	113	(197,394)
	($59,057)	**$139,943**
Capital activities		
Acquisition of tangible capital assets	$13,905	$22,718
Financing activities		
Deferred contributions related to capital assets	($13,905)	($22,718)
(Decrease) increase in cash	(59,057)	139,943
Cash balance, beginning of year	811,979	672,036
Cash balance, end of year	**$752,922**	**$811,979**

HIGHER EDUCATION QUALITY COUNCIL OF ONTARIO

Notes to the financial statements
March 31, 2010

1. The Organization

FORMATION AND STATUS

The authority to create the Higher Education Quality Council of Ontario was established in the Higher Education Quality Council of Ontario Act, 2005. The Council is a Crown Agency of the Ministry of Training, Colleges and Universities (MTCU) and is classified as an Operational Services agency.

The Higher Education Quality Council is a corporation without share capital and is not subject to the Corporations Act or the Corporation Information Act. The Council is subject to section 132, subsection 134(1) and section 136 of The Business Corporations Act. As an agent of the Crown, the Council is not subject to income tax.

The Council is, and exercises its powers only as, an agent of the Crown. Limits on the Council's ability to undertake certain activities are set out in both the Act and The Memorandum of Understanding between the Council and MTCU dated December 6, 2006.

COUNCIL OPERATIONS

The objective of the Council is to assist the Minister of Training, Colleges and Universities in improving all aspects of the postsecondary education sector, including improving the quality of education provided in the sector, access to postsecondary education and accountability of postsecondary educational institutions.

The Council is governed by a Board of Directors who are appointed by Order-in-Council for varying terms.

2. Significant accounting policies

The financial statements of the Higher Education Quality Council of Ontario (the "Council") are the representations of management prepared in accordance with generally accepted accounting principles established by the Public Sector Accounting Board ("PSAB") of the Canadian Institute of Chartered Accountants.

Accounting policies followed by the Council are as follows:

ACCRUAL BASIS OF ACCOUNTING

Revenue and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues in the period in which the transactions or events occurred that give rise to the revenue; expenses are recognized in the period the goods or services are acquired, and a legal liability is incurred or transfers are due.

GOVERNMENT TRANSFER PAYMENTS

The Council is funded solely by the Province of Ontario in accordance with budget arrangements established by MTCU. These financial statements reflect agreed funding arrangements approved by the MTCU.

Government transfer payments from the MTCU are recognized in the financial statements in the year in which the payment is authorized and the events giving rise to the transfer occur, performance criteria are met, and reasonable estimates of the amount can be made.

DEFERRED CONTRIBUTIONS

Certain amounts, including transfer payments from the MTCU, are received pursuant to legislation, regulation or agreement and may only be used in the conduct of certain programs or in the completion of specific work. Funding is only recognized as revenue in the fiscal year the related expenses are incurred or services performed.

Any amounts received that are used to fund expenses that are recorded as tangible capital assets, are recorded as deferred capital contributions and are recognized over the useful life of the asset reflective of the provision of its services. Deferred capital contributions are amortized into revenue in accordance with the amortization policy applied to the related capital asset recorded.

TANGIBLE CAPITAL ASSETS

Tangible capital assets are recorded at historical cost. The cost of tangible capital assets contributed is recorded at the estimated fair value on the date of contribution. Where an estimate of fair value cannot be made, the tangible capital asset would be recognized at nominal value.

Maintenance and repair costs are recognized as an expense when incurred. Betterments or improvements that significantly increase or prolong the service life or capacity of a tangible capital asset are capitalized. Computer software is recognized as an expense when incurred.

Tangible capital assets are stated at cost less accumulated amortization. Tangible capital assets are amortized on a straight line basis over their estimated useful lives as follows:

Computer equipment	3 years
Furniture and equipment	5 years
Leasehold improvements	Life of lease

USE OF ESTIMATES

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets, liabilities and disclosure of contingent liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the year. Actual results could differ from these amounts.

3. Expenses by object

	Governance	Research	Administration	2010 Total	2009 Total
Salaries and benefits	$654,552	$953,752	$343,488	$1,951,792	$1,756,722
Research contracts	–	2,330,105	–	2,330,105	2,441,779
Consulting contracts	176,024	21,989	7,042	205,055	329,151
Other operating expenses	103,912	188,375	533,657	825,944	931,396
	$934,488	**$3,494,221**	**$884,187**	**$5,312,896**	**$5,459,098**

4. Due to/from the Ministry of Training, Colleges and Universities

In accordance with the Council's Memorandum of Understanding, funding received in excess of expenditures may be required to be repaid and is recorded as due to Ministry of Training, Colleges and Universities.

5. Deferred capital contributions

During the year, the Council utilized $13,905 of its MTCU funding (2009 - $22,718) for additional capital purchases. The MTCU funds used to purchase these capital assets have been included as part of deferred capital contribution and are to be amortized into revenue on the same basis as the amortization of the purchased assets.

	2010	2009
Balance, beginning of year	$487,446	$627,791
Contributions received	13,905	22,718
Less amounts amortized to revenue	168,443	163,063
Balance, end of year	**$332,908**	**$487,446**

Deferred capital contributions relate primarily to funding received for leasehold improvements.

6. Tangible capital assets

	Computer hardware	Leasehold improvements	Furniture and equipment	2010 Total	2009 Total
Cost					
Opening balance	$51,745	$707,569	$23,304	$782,618	$759,900
Additions	-	-	13,905	13,905	22,718
Disposals	-	-	-	-	-
Closing balance	**$51,745**	**$707,569**	**$37,209**	**$796,523**	**$782,618**
Accumulated amortization					
Opening balance	$30,484	$260,757	$3,931	$295,172	$132,109
Current year amortization	17,248	144,912	6,283	168,443	163,063
Adjustments	-	-	-	-	-
Closing balance	**$47,732**	**$405,669**	**$10,214**	**$463,615**	**$295,172**
Net book balance	**$4,013**	**$301,900**	**$26,995**	**$332,908**	**$487,446**

7. Pension agreements

The Council makes contributions on behalf of its staff to the Public Service Pension Plan (PSPP) administered by the Ontario Pension Board (OPB), which is a multi-employer plan. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay.

The contribution rates in 2009 were 6.4% of the Year's Maximum Pensionable Earnings (YMPE) plus 8.75% on earnings above the YMPE. The contribution rate was changed in January 2010 as follows:

6.4% of the YMPE plus 9.5% on earnings above the YMPE.

Contributions in the amount of $68,620 (2009 - $68,444) were made for employee earnings and are included in expenses on the statement of operations.

8. Lease obligations and other commitments

The Council entered into a lease for 7,670 rentable square feet of office space on the 24th floor of 1 Yonge Street, Toronto, negotiated by the Ontario Realty Corporation, for a term of 5 years beginning May 15, 2007. Rentable square feet increased to 7,717 as a result of landlord's improvements to meet requirements in the Council's lease. Rent is payable monthly.

The Council's lease provided for a cash payment of $25 per rentable square foot, as a rent inducement. An amount of $192,925 has been received, and a portion of this has been amortized to reduce rent expense during the year. Amortization will continue over the term of the lease.

Minimum annual payments under operating leases are as follows:

	Rent	Office Equipment
2010-2011	$250,564	$8,525
2011-2012	250,564	8,343
2012-2013	31,320	8,343
2013-2014	-	7,839
2014-2015	-	7,671
2015-2016	-	1,918
	$532,448	**$42,639**

9. Contractual obligations

The Council has signed multi-year contracts with academic researchers where deliverables and payments are due over several years. These represent amounts for research services that have yet to be provided.

	Research contracts
2010-2011	$1,231,690
2011-2012	350,951
2012-2013	163,973
2013-2014	-
2014-2015	11,610
	$1,758,224

10. Budget figures

The Ministry of Training, Colleges, and Universities approved a budget of $5,000,000 plus an additional amount of $156,400 for translation services for the fiscal year 2009/2010 for a total of allocation of $5,156,400.

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Higher Education
Quality Council
of Ontario

An agency of the Government of Ontario

For more information please contact us at:
1 Yonge Street, Suite 2402, Toronto, ON M5E 1E5 Canada
Phone: (416) 212-3893 Fax: (416) 212-3899
e-mail: info@heqco.ca www.heqco.ca

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